

Message Text

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ACTION PM-05

INFO OCT-01 ARA-10 ISO-00 NSC-05 SP-02 SS-15 CIAE-00
INR-07 NSAE-00 OMB-01 L-03 H-01 TRSE-00 IGA-02
MCE-00 ACDA-07 AID-05 EB-08 /072 W
-----125211 011207Z /40

R 301630Z SEP 77
FM AMEMBASSY SANTO DOMINGO
TO SECSTATE WASHDC 2172
INFO SECDEF WASHDC
USCINCSO

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E.O. 11652: N/A
TAGS: MASS, DR
SUBJECT: GODR ARREARAGE ON FMS DEBT PAYMENTS

1. THROUGH MAAG DISCUSSIONS WITH THE ARMED FORCES SECRETARIAT AND DOD CONCERNING THE ARREARAGE OF \$400,000 OWED BY THE GODR ON ITS FY75 FMS CREDIT DRAWING, WE HAVE BECOME AWARE THAT THIS ARREARAGE STEMS FROM THE FOLLOWING FINANCING ARRANGEMENTS.

2. IN JUNE 1975, AN FMS CREDIT OF \$500,000 WAS EXTENDED TO THE GODR FROM FY75 FUNDS TO BE APPLIED TO PURCHASE OF UH1H HELICOPTERS. UNDER THIS AGREEMENT, THE GODR OBLIGATED ITSELF TO MAKE REPAYMENTS OF PRINCIPAL ON THIS CREDIT IN FIVE INSTALLMENTS OF \$100,000 EACH. THE GODR IS OBLIGED TO BEGIN MAKING THE REPAYMENTS AFTER IT DRAWS ON THE CREDIT AND INTEREST ACCRUES AFTER THAT TIME. HOWEVER, ONCE IT DRAWS ON THE CREDIT, THE GODR BECOMES LIABLE TO PAY, ON THE NEXT FOLLOWING DUE DATE OF PAYMENT OF AN INSTALLMENT, NOT ONLY THE INSTALLMENT SCHEDULED FOR PAYMENT ON THAT DATE BUT ALL PREVIOUS INSTALLMENTS SET FOR IN A SCHEDULE OF SEMI-ANNUAL PAYMENTS BEGINNING IN DECEMBER 1975 RPT 1975.

3. FOR VARIOUS REASONS, THE GODR DID NOT DRAW ON ITS FY75 CREDIT
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UNTIL THE SPING OF 1977, WHEN IT TOOK DELIVERY OF TWO UN-1H HELICOPTERS (PURCHASED WITH FY & AND FY76 FMS CREDITS). YET, UNDER THE ARRANGEMENTS DESCRIBED ABOVE, THE GODR BECAME LIABLE ON JUNE 30 OF THIS YEAR, NOT ONLY FOR THE INSTALLMENT OF \$100,000 DUE ON THAT DATE BUT ALSO FOR THE INSTALLMENT PAYMENTS ATTRIBUTED IN THE SCHEDULE TO THE DATES OF DECEMBER 31, 1975; JUNE 30, 1976; AND DECEMBER 31, 1976. THUS, ITS TOTAL ARREARAGE

OF \$400,000 PLUS INTEREST ACCRUING FROM THE SPING OF 1977. THE
FINAL INSTALLMENT OF \$100,000 BECOMES DUE NEXT DECEMBER.

4. IT IS CLEAR FROM THE FOREGOING THAT THE FY75 FMS CREDIT
ARRANGEMENT WITH THE GODR DID NOT TURN OUT TO ACCORD MUCH OF A
FINANCIAL FACILITY TO THE GODR. IT HAS, IN FACT, BECOME MORE OF
A CASH DEAL SINCE THE GODR IS OBLIGATED TO REPAY THIS YEAR THE
ENTIRETY OF A CREDIT WHICH IT USED ONLY SEVERAL MONTHS AGO FOR
PURCHASE OF US EQUIPMENT. THE DOMINICANS HAVE JUST RECENTLY FOCUSED
ON THIS SITUATION, AND WE UNDERSTAND THAT THEY INTEND TO SEEK A
RENEGOTIATION OF THE TERMS OF THE AGREEMENT WITH A VIEW TO
EXTENDING THE SCHEDULE OF PAYMEMCS.

5. IN THE EMBASSY VIEW, THE DOMINICANS HAVE A SOUND BASIS FOR
SEEKING SUCH EXTENSION SO THAT THE PAYMENTS SCHEDLE WILL
CORRESPOND MORE CLOSELY TO THE PURPOSES OF THE CREDIT ARRANGEMENT.
IN THE INTERESTS OF EQUITY AS WELL AS OF OTHER OBJECTIVES OF
OUR SECURITY ASSISTANTS PROGRAM HERE, WE HOPE THAT THE DOMINICAN
REQUEST WILL RECEIVE SYMPATHETIC CONSIDERATION IN WASHINGTON
HURWITCH

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DEBT REPAYMENTS, MILITARY CREDIT
Control Number: n/a
Copy: SINGLE
Sent Date: 30-Sep-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977SANTO05962
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Drafter: n/a
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Executive Order: N/A
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From: SANTO DOMINGO
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ISecure: 1
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Litigation History:
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Office: ACTION PM
Original Classification: LIMITED OFFICIAL USE
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TAGS: MASS, DR
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